

OSDBU UPDATE

Department of Veterans Affairs

October 1998

Notes from Scott

This October, VA is participating in the 1998 National Disability Employment Awareness Month, whose theme is "Opening Doors to Disability." I am proud of the work that OSDBU's Veterans Outreach Team has done in partnering with VBA to encourage establishment of disabled veteran-owned businesses and the work of all of VA's Small Business Specialists in identifying requirements to be performed by disabled veteran-owned businesses. Please see the article in this issue on the Veterans Mean Business initiative.

Also this month, we recognize a meaningful milestone for OSDBU. Twenty years ago on October 24, 1998, the President signed Public Law 95-507, following years of advocacy by a coalition of minority trade associations and struggling minority business owners. The legislation promoted partnerships between the Federal government, major corporations and small and small disadvantaged businesses to improve their contributions to the nation's Gross National Product. The key features of the law include:

- Establishing an Office of Small and Disadvantaged Business Opportunity in each Federal agency.
- Requiring formal subcontracting plans from prime contractors who are other than small businesses, at certain dollar thresholds (\$500K for awards except construction which is \$1M)
- Establishing minimum goals for subcontracting to small businesses at 20% and small disadvantaged businesses at 5% of total requirements subcontracted.
(The Federal Acquisition Streamlining Act passed in 1994 established a 5% minimum subcontracting goal for women-owned small businesses and the recent HUB Zone legislation, not yet in effect, includes a requirement for subcontracting with HUB Zone small businesses.)

In next month's OSDBU Update, we'll review accomplishments by these business groups since passage of the legislation. This month, we celebrate the beginning of a new Fiscal Year, the opportunity to review and renew our collective commitment to supporting small businesses and to enhancing communications throughout our VA system.

Happy New Year,

Scott Denniston

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**SMALL BUSINESS BUILDS
AMERICA!**

by Gail Wegner

FAC #97-07 requires that offerors provide targets, expressed in dollars and percentage of total contract value in each of the applicable SIC groups and a total target for SDB participation. The solicitation must state that any targets will become a part of the contract. If the offeror receives credit for identifying SDB concerns in the proposal, those firms identified also become part of the contract and substitution is not permitted without the contracting officer's prior approval.

In negotiated requirements, when a SDB receives a benefit based upon its SDB status, the Contracting officer shall notify offerors of the apparently successful offeror prior to award. Offerors may challenge the disadvantaged status of the offeror. When this happens, the contracting officer refers the matter to the Small Business Administration for a determination. A contracting officer may proceed with award if delay would damage the Government.



The structure of the ***Veterans Mean Business*** program brings veteran entrepreneurs and prospective entrepreneurs together with federal and state government, and local organizations, committed to helping transitioning veterans and veterans with a desire to run their own business.

Due in large part to the success of the Des Moines model, the American Legion's National Economic Commission recently agreed to promote the **Veterans Mean Business** initiative through their publications and use local community resources for the development of workshops and conferences.

During Fiscal Year 1998, OSDBU and VocRehab sponsored three conferences in Honolulu, HI, Columbus, OH, and Des Moines, IA. These conferences are essentially structured the same, except that each geographical area brings something unique or different to each Veterans Mean Business Conference.

We are currently developing our conference schedule for Fiscal Year 1999. If you are interested in hosting a conference in your community or would like to know more about this initiative, please call or email us soon. OSDBU provides support for these conferences, with local staff handling logistical arrangements.

by Ilene Waggoner

Title V of Public Law 100-656 "Business Opportunity Development Reform Act of 1988 requires each executive agency to forecast, on an annual basis, all expected contracting opportunities that small business concerns are capable of performing. Contracting activities are not to determine whether or not a small business has this capability.

In the last two years the Office of Procurement Policy has required that the Forecast be published on the Internet.

FAR 5.204(h) states that the period of time between publication of the synopsis notice and receipt of offers shall be no less than 40 days. As a plus for the contracting offices however, if the acquisitions falls within a general category identified in an annual forecast, the availability of which is published in the CBD, the contracting officer may reduce this time period to as few as 10 days. OSDBU/OA&MM will publish the required notice in the CBD by October 30, 1998.

Each year the Office of Small and Disadvantaged Business Utilization (OSDBU) has been tasked to publish a "Forecast of Contracting" opportunities. The Forecast provides information regarding what the Department of Veterans Affairs buys and whom to contract for assistance. This information is useful to the small businessperson, in selling goods and services not only to the VA, but to the VA's large prime contractors as well. It can also serve as a planning guide for a company's marketing strategy.

Each year OSD/DBU sends out a call for the submission of the forecast information to each of the individual procurement activities. As the VA has consolidated many of their procurement offices at the VISN level the process has become more confusing. Not all VISN's consolidate all purchasing within their VISN, and some VISNs do most of the contracting for the entire VISN. VA has over 200 procurement offices, which are required to submit forecast information.

OSDBU is in the process of developing a web based input screen that will allow the contracting offices to input information via the Internet. This will speed up the process of submitting data to central office. It will also allow data to be updated if the contracting needs at the facility change.

This year the majority of the stations had their forecast submissions in before the deadline, and the submissions were of high quality. The Office of Small and Disadvantaged Business thanks the many individuals in the procurement offices who compiled and submitted the information. We are working hard to make this process as painless and simplified as possible.

Two new programs are being introduced to government contracting, the HUBZone (Historically Underutilized Business Zone) Empowerment Contracting Program and Small Disadvantaged Business Participation Program. To help you understand these new programs and find additional information, the following web sites have been set up by SBA:

- HUBZone Empowerment Contracting Program – www.sba.gov/hubzone/
- Small Disadvantaged Business Information – www.sba.gov/sdb/

1999 SBA Awards Program - **Call for Nominations**

Each year, during Small Business Week in June, the U.S. Small Business Administration recognizes outstanding performance by federal small business prime contractors. Have *you* considered submitting a nomination for one of your hardworking, ever reliable, small businesses? The process is very easy. It doesn't take long and it can get you all sorts of good will from your contractors. Plus, if your nominee gets recognized, by certificate or by award, you get invited to the ceremony (read this - free meal from SBA!!).

How do we know this? **Joyce Forker**, Contracting Officer at **VAMC Washington, D.C.** nominated Mills, Clagett & Wening, an AE firm for consideration. They received SBA's Administrator's Award for Excellence. The firm was so delighted, the principal, Mr. Jon Rha, visited the medical center to show the award and thank the facility Director, **Sandy Garfunkel**; the Chief of A&MMS, **Kaiser Braham**; and **all the staff** in Acquisition and Materiel Management Service.

SBA has issued the call for nominations for *next year's* ceremony. The submissions are due by **December 4**. Ten regional award winners will be selected. Nominations must be sent to the SBA Region in which the contractor is located, not the region where the work is being performed. We think that there are superior small businesses operating in *every* VA facility. Therefore, it should be very possible for each VISN to identify at least one contractor to be recognized. Regional or national contracting activities definitely should have submissions! By now, you should have received copies of the nominating forms and criteria from your supportive (isn't that a friendly term?) OSDBU analyst. If you have not, please email or call Gail Wegner for assistance. Please forward information copies of any nominations to OSDBU. Thanks in advance for your hard work in getting recognition for VA small businesses.

Spotlight On: SBA's Procurement Center Representatives

by Gail Wegner

When it comes to small business programs, it seems that a lot of different offices are interested in what VA is doing. In past issues of the OSDBU Update, we've highlighted responsibilities of internal VA officials

(Small Business Specialists and Heads of Contracting Activities). This month, we spotlight the duties of SBA's PCRs. These individuals have the ability to help or impede a contract team's progress, particularly when innovative contract strategies are being developed. The following facilities have an assigned PCR. For contracting activities which do not have an assigned PCR, the Director, OSD/DA is authorized by the Federal Acquisition Regulation, to carry out the duties of SBA's PCR:

Little Rock, AR	Leavenworth, KS	Columbia, MO
West Haven, CT	Topeka, KS	Jefferson Barracks, MO
Washington, DC	Wichita, KS	East Orange, NJ
Hines, IL NAC	Togus, ME	Lyons, NJ

The PCR shall:

Abide by VA policy regarding conduct of contracting personnel and the release of contract information.

Review proposed acquisitions to recommend:

8(a) program or small business set-aside, if not set-aside by the contracting officer;

Additional small, small disadvantaged and women-owned business sources; and

Breakout of components for competitive acquisitions.

Review proposed “bundled” solicitations in which the procurement strategy is to acquire the goods or services through full and open competition when the prior history shows that small business set-asides have been used, but that the magnitude of the current requirement makes it unlikely that small businesses can compete for the prime contract; or when the proposed acquisition is for construction and seeks to package or consolidate discrete construction projects and the magnitude of this consolidation makes it unlikely that small businesses can compete for the prime contract. If the PCR has recommendations for alternate contract strategies, this will be communicated to the contracting officer within 15 days after receipt of the solicitation document.

Appeal to the head of the contracting office when a contracting officer decides not to solicit a concern recommended by the SBA, when not doing so results in no small business being solicited or when the contracting officer rejects a recommendation on procurement strategy. The PCR has 2 working days to file the appeal. If the head of the contracting office supports the contracting officer's decision, the PCR may, within 1 working day, request the contracting officer to suspend action on the acquisition until the SBA Administrator appeals to the agency head, which must occur within 15 working days. If such action is taken, the PCR shall provide written notice to the

by Sherra Berutto

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I have recently joined the Carl T. Hayden VA Medical Center, and am happy to report that the 8(a) program is alive and well in Phoenix.

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Subcontracting Program News

by Lynette Simmons

Approval and monitoring of subcontracting plans is the Contracting Officer's responsibility. FAR Change #97-05 changed some of the requirements. We've developed a checklist to aid you in reviewing the plans.

We as an organization need to emphasize to prime contractors that VA is serious about our subcontracting program. That means we want them to establish realistic goals for using small, small disadvantaged and women-owned small businesses. That doesn't mean having contractors submit plans that satisfy only the legal minimum percentages and automatically approving those figures so you can award the contract. You need to put your energy into establishing strong subcontracting opportunities for small businesses. This is especially important for facilities which are regionalizing requirements.

Support from the Secretary

During September, **Secretary Togo D. West, Jr.**, made two pivotal addresses in support of small business programs, giving special emphasis to support for veterans in business. He spoke to both the Congressional Black Caucus and the Congressional Hispanic Caucus about the importance of continuing support to disadvantaged business entrepreneurs and the growth of opportunities as technology expands markets.

Minority Enterprise Development Week Activities

The week of September 21-24 was declared by the Small Business Administration and the Department of Commerce to be Minority Enterprise Development Week. Scott Denniston represented the Department at the Administration Luncheon, in which senior government officials informed the participants about new directions in small business programs. He later represented VA in a panel on Construction and Architect-Engineer Opportunities. Other OSDBU staff offered counseling to more than 100 small disadvantaged businesses and distributed our new information diskette. Those readers who have represented VA at business conferences in the past had to haul heavy boxes of Forecast materials and other brochures. Now, we provide a 3-1/2" diskette. This changes was well-received by the conference attendees. We will be happy to make the diskette available to you electronically for use in locally sponsored meetings.

Due to space constraints, Hispanic Heritage conferences and the National Minority Supplier Development Conference will be addressed in the November issue.

Coming Next Month

(You won't want to miss this one!!)

- ◆ Native American Heritage Month
A Celebration of Business Diversity
- ◆ OSDBU Over the Years
- ◆ Business Across the Borders
- ◆ Revised SDB Program Worksheet
- ◆ SBA 8(a) MOU Update
- ◆ NAICS Timetable

Give us your comments – contact us:

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